Fuel and Power Purchase Adjustment Surcharge (FPPAS)

1. With reference to the UPERC (Multi Year Tariff for Distribution) Regulations, 2025 and its amendments, the Commission has provided the mechanism to the Distribution Licensees to compute and bill the Fuel and Power Purchase Adjustment Surcharge (FPPAS) on a monthly basis to their consumers.

2. NIDP has computed the FPPAS in accordance with the formula as specified in Regulation **16.2** of UPERC (Multi Year Tariff for Distribution) Regulations, 2025, the relevant extract from the Regulations is provided below:

"16.2…

$$Monthly\ FPPAS\ for\ nth\ Month\ (\%) = \left\{\frac{(A-B)\times C+(D-E)^{\$}+Adj\ Facto}{\mathrm{Z\ X\ ABR}}\right\} \text{x } 100\%$$

where,

***$** Shall be computed in case inter-state or intra-state transmission charges are not on per unit basis*

Where,

***nth month** means the month in which the billing of FPPAS component is done. This FPPAS is due to changes in Tariff for the power supplied in the (n-3)th month*

***A** = is Total units procured in (n-3)th Month (in kWh) from all sources including Long-term, Medium-term and Short-term Power purchases (To be taken from the bills issued to the Distribution Licensee).*

***B** = is bulk sale of power from all sources in (n-3)th Month (in kWh) = (to be taken from the provisional accounts to be issued by the State Load Dispatch Centre by the 10th day of each month).*

***C =** is incremental Average Power Purchase Cost (including the change of fuel cost) = Actual Average Power Purchase Cost (PPC) from all Sources in (n-3)th month (Rs./ kWh) (computed) - Approved Average Power Purchase Cost (PPC) from all Sources for the year (Rs./kWh) (to be taken from the latest available Tariff Order)*

***D** = Actual Inter-State & Intra-State Transmission Charges in the (n-3)th Month, (From the bills by Transcos to Discom) (in Rs)*

***E** = Base Cost of Transmission Charges for (n-3)th Month = (Approved Transmission Charges/12) (in Rs)*

***Adj Factor** = Change in Fuel and Power Purchase Cost (Calculated as (A-B)*C+(D-E)) for (n-5)th month – Amount recovered using FPPAS for the '(n-5)th month ' in the (n-2)th month.*

***Z** = Approved unit sales to retail Consumers in kWh for the nth month as approved in the Tariff Order or the sales to retail Consumers in kWh for the nth month projected in the Tariff Petition filed before the Commission in case Tariff Petition is pending before the Commission. In case Tariff Petition has not been filed, FPPAS shall not be charged.*

***ABR** = Average Billing Rate for the year (to be taken from the latest available Tariff Order in Rs/kWh)."*

3. The FPPAS of April 2026 is to be billed in the month of July 2026 and shall be applicable to all consumer categories in accordance with the provisions of the UPERC (Multi Year Tariff for Distribution) Regulations, 2025, and its amendments.

Annexure - A

FPPAS Calculation for the month of April'26 to be billed in the month of July'26			
S. No.	**Particulars**	**UoM**	**Apr-26**
A	Total Unit Procured from all sources	MU	5.70
B	Bulk sale of power from all sources	MU	0.00
	Incremental Average Power Purchase Cost		
C1	Actual Power Purchase Cost (APPC) from all Sources in $(n-3)^{th}$ month	Rs./kWh	6.78
C2	Approved Average Power Purchase Cost (APPC) from all Sources*	Rs./kWh	5.51
C	Value of C = (C1-C2)	Rs./kWh	1.27
D	Actual Inter and Intra state transmission charges	Rs. Cr.	0.01
E	Approved Inter and Intra state transmission charges*	Rs. Cr.	0.13
	Change in Transmission Cost (D-E)	Rs. Cr.	-0.12
	Adj. Factor	Rs. Cr.	0.00
	Numerator = (A-B) x C + (D-E) + Adj. Factor	Rs. Cr.	**0.61**
Z	Approved Unit Sale for nth Month*	MU	7.10
ABR	Approved Average Billing Rate for the year*	Rs./kWh	7.41
	Denominator = Z x ABR	Rs. Cr.	**5.26**
	FPPAS (%) = Numerator / Denominator	%	**11.56%**
	Past month carried forward	%	**0.00%**
	Total FPPAS	%	**11.56%**
	Ceiling of FPPAS is 10%	%	**10.00%**
	Carried forward	%	**1.56%**

*As per latest Tariff Order dated 2[nd] July, 2026

4. Based on Annexure-A as shown above, the FPPAS of NIDP for the month of April 2026 is 11.56%. However, as per Regulation 16.4, FPPAS is limited to 10%, hence, NIDP has carried forward the excess FPPAS of 1.56% to the next month.